



**Minutes of Meeting
CITIZENS' EFFICIENCY COMMISSION
August 20, 2012**

ATTENDANCE

Citizens' Efficiency Commissioners

	Jeff Adkisson	x	Marilyn Kushak
	Mike Aiello	x	Frank McNeil
x	Daniel Cadigan	x	Mike Murphy
x	Josh Collins	x	Drinda O'Connor
x	Jerry Crabtree	x	Robert Plunk
	Gary Crompton	x	Kent Redfield
x	James Donelan	x	J. D. Sudeth
	Kevin Dorsey		Kenley Wade, Sr.
	Cliff Erwin	x	Joan Walters
	Lee Fields, Jr.		
x	Bob Gray		
x	Karen Hasara		

Others

Carl Fisher- Ameren Illinois
Norm Sims- SSCRPC

Jeff Fulgenzi- SSCRPC
Amy Uden- SSCRPC

I. CALL TO ORDER

Chairperson Karen Hasara called the meeting of the Citizens' Efficiency Commission to order and welcomed commissioners and guests. She thanked members of the CEC for their willingness to attend this special meeting.

II. APPROVAL OF CEC RECOMMENDATION

Chair Hasara invited Public Works Committee Chair Jim Donelan to discuss the primary reason for the meeting, a recommendation from his committee pertaining to governmental electric aggregation.

Mr. Donelan began by reminding the commissioners of the request for research initiated by Mayor Bob Winters of Illiopolis related to electric aggregation. The Public Works committee began at that time to look into the issue, and presented a finding to the CEC in May for additional research support. He proceeded to explain the process taken by the committee in developing the research, and summarized electric aggregation as an opportunity for local governments to negotiate better rates for electric supply on behalf of their citizens.

He noted that options for aggregation include both opt-in and opt-out processes, and discussed examples of each from Vermilion and Logan Counties, respectively. He explained that in its recommendation, the committee recommends opt-out aggregation, which allows units of government to have authority to negotiate electric supply rates on behalf of all eligible residents who have not opted out. He



emphasized that the CEC recommends that aggregation contracts be structured so that there is no fee for residents to opt out of the aggregation at any time.

Committee Chair Donelan went on to note that considerable cost savings were possible through electric aggregation, citing the estimate 30% savings on electric supply in Logan County. He described the potential benefits of these savings in terms of local economic development for Sangamon County.

At this point, Mr. Donelan detailed a number of provisions for a potential local electric aggregation plan of governance that the Public Works Committee found important in its discussions related to recommending aggregation. One important term of contract for local leaders to consider is a requirement that vendors match the Ameren default supply rate or return customers to the default supply if this rate falls below the negotiated contractual supply rate. The CEC would recommend such a mechanism so that citizens would not be at risk in the aggregation, and would have the right to opt out of the aggregation free of charge at any time.

Mr. Donelan then introduced Mr. Carl Fisher, Community Relations Coordinator for Ameren Illinois, and indicated that Mr. Fisher would be able to questions related to Ameren and technical matters, should members of the Commission have any. He went on to thank members of the CEC who had contributed to the research and community education efforts on the issue, including Chair Hasara, Ms. Joan Walters, Mr. Robert Plunk, and Mr. Josh Collins. He then thanked SSCRPC staff for their assistance in researching and helping communities understand the committee's work in a timely fashion. Finally, Committee Chair Donelan informed the commission that, in response to the committee's work, the County Board and a number of eligible villages had passed or would pass a resolution to get aggregation on the ballot. Chair Hasara asked that SSCRPC staff provide this list to the CEC when available. She noted that communities who do not have referenda may still have opportunity to form opt-in programs for residents

In response to Mr. Donelan opening the discussion for questions, Mr. Dan Cadigan asked for clarification about the CEC's role in relation to these resolutions. Mr. Donelan responded that the committee's work had made local officials aware of the issue. He noted that some jurisdictions had needed to move forward before the 20th because of their meeting schedules, and that others would be meeting that evening. He discussed the default electric supply rates, set by the Illinois Power Agency, which would be reset in June 2013. Mr. Donelan indicated that the rate differential that creates the current opportunity for savings may be less substantial at that point, which is one of the reasons the committee had focused on drafting its recommendation and informing public officials of its content in a timely fashion for the fall election. Mr. Cadigan also clarified that the referendum for electric aggregation would not be relevant to Springfield residents.

Mr. Josh Collins provided a comment on these issues, noting that the benefit of aggregating as a group came from the reduction of administrative costs that would otherwise be associated with individual electric choice. He asked for clarification that the recommendation's intent was for local entities to work together in this way. Mr. Donelan clarified that the recommendation did suggest that the groups work together



to develop a coordinated governance process, in order to benefit fully from improved negotiating power and reduced administrative costs. Mr. Collins then asked whether communities who did not meet the fall deadline could still have a spring referendum. Mr. Donelan clarified that this was a possibility, or that the community could create an opt-in program.

Mr. J.D. Sudeth then commented that the commission should be cautious in its use of the phrase “window of opportunity” related to savings. He suggested, based on his experience in commodities markets, that the CEC qualify statements related to savings by noting that electricity prices can fluctuate at any time and in unexpected directions. Mr. Fisher noted that communities generally refer to the Ameren default supply “price to compare” when developing estimates and examining their opportunities. He echoed that communities involved in aggregation should use precision in describing savings and constructing estimates, especially as default supply rates do change annually. Mr. Donelan thanked Mr. Sudeth for his comments. Mr. Sudeth noted that the commission did not intend to indicate that this was the only opportunity for savings that could be afforded to residents, but would provide the option for local governments to help citizens benefit from current market conditions. Mr. Collins clarified that the recommendation intends to reserve the opportunity for governments to go to the open market in the future to negotiate better rates.

Finally, Mr. Donelan clarified once again that the CEC recommends that there *not* be a penalty for residents who opt out of the program. He also noted that Ameren still administers lines, answers customer calls, and handles transmission and distribution. Mr. Donelan suggested that the alternate electric supply would be billed on the same Ameren bill that customers currently received, and Mr. Fisher confirmed that a good plan of governance will take steps like this one to ensure that there is little exposure to risk or confusion for consumers.

Upon the completion of Committee Chair Donelan’s presentation, Mr. Donelan moved to adopt the recommendation from the Public Works Committee via a roll call vote. Mr. Frank McNeil seconded the motion. The roll call was taken as follows:

Cadigan, Collins, Crabtree, Donelan, Hasara, Kushak, McNeil, O’Connor, Plunk, Redfield, and Walters- aye; Gray- present; Sudeth-nay

With eleven “ayes,” one “nay,” and one “present” vote, the recommendation was approved.

III. OLD BUSINESS

Chair Hasara asked if there was any new business to come before the commission. There was none.

IV. NEW BUSINESS

Chair Hasara then took the opportunity to wish Mr. Norm Sims a happy birthday later that week.



Next meeting date—September 12th, 2012 at 3:00 PM, Location to be the Hoogland Center for the Arts.

V. PUBLIC COMMENT

Chair Hasara then asked for comments from members of the public. There were none.

VI. ADJOURNMENT

Mr. Collins moved to adjourn the meeting. Dr. Kent Redfield seconded the motion. There being no further business, the meeting was adjourned.

Respectfully Submitted,

Amy Uden
Acting as Recording Secretary